



MEMORANDUM

DATE: April 30, 2020

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Acting Supervisory Auditor, Eleanor C. Jefferson

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Financial Audit of Premiere Urgence Internationale Under Multiple USAID Agreements for Fiscal Year Ended December 31, 2017 (3-000-20-011-R)

This memorandum transmits the final audit report on the recipient contracted audit for Premiere Urgence Internationale (PUI) for the fiscal year (FY) ended December 31, 2017. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit, and Support Division contracted with the independent certified public accounting firm of Gelman, Rosenberg & Freedman (GRF) to conduct the Audit. The audit firm stated that it performed its examination in accordance with generally accepted government auditing standards and the Guidelines for Financial Audits Contracted by Foreign Recipients.¹ The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on PUI's fund accountability statement; the effectiveness of its internal control; or compliance with agreement terms and laws, and regulations.²

The audit objectives were to express an opinion on the fund accountability statements of PUI for FY ending December 31, 2017; evaluate PUI's internal controls; and determine whether PUI complied with award terms and applicable laws and regulations. To answer the audit objectives, GRF designed its testing procedures to evaluate the effectiveness of the operation of the internal controls that were considered relevant to preventing or detecting material

¹ On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients", recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, was initiated before that date and follows the Guidelines.

² We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the examination report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the examination performed.

noncompliance with the compliance requirements applicable to each of PUI's U. S. Government awards. GRF performed procedures, on a test basis, to examine documentation that supported financial transactions recorded as expenditures against U.S. government awards. The audit firm examined USAID incurred costs of \$15,352,979 for the FY ended December 31, 2017.

GRF concluded the fund accountability statement presented fairly in all material respects, costs incurred and reimbursed for the year ended December 31, 2017 in accordance with the terms of the agreement and in conformity with the accrual basis of accounting with the exception of property and equipment purchased with U.S. government funding that is expensed when purchased. The auditor's report disclosed no questioned costs. GRF identified two significant deficiencies in internal control and two instances of material noncompliance for noncompliance with U.S. Government Regulations on Terrorism and sub-recipient selection and policies. Although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division determine if the recipient addressed the issues noted.

To address the issues identified in the report, we recommend that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division:

Recommendation I. Verify that Premiere Urgence Internationale corrects the material instances noncompliance detailed on pages III-1 and III-2 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision. We appreciate the assistance extended during the engagement.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").